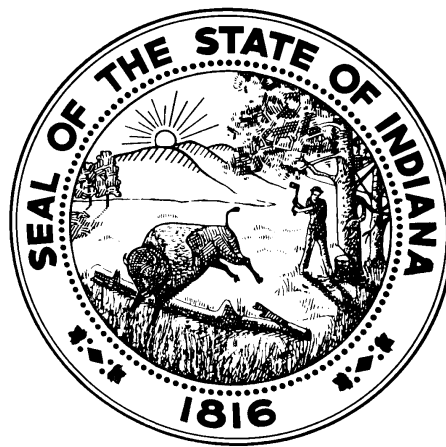


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2007

CASS COUNTY, INDIANA



FILED

09/11/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis.....	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	8
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds.....	10
Notes to Financial Statements	11-23
Required Supplementary Information:	
Schedules of Funding Progress	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-36
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	37
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	38-43
Schedule of Capital Assets.....	44
Schedule of Long-Term Debt	45
Other Reports.....	46
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	48-49
Schedule of Expenditures of Federal Awards	50
Notes to Schedule of Expenditures of Federal Awards.....	51
Schedule of Findings and Questioned Costs	52-53
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	54
Corrective Action Plan.....	55
Exit Conference.....	56

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Dawn R. Conner	01-01-05 to 12-31-08
Treasurer	Shelia K. Thompson	01-01-05 to 12-31-08
Clerk	Linda Crimmins	01-01-05 to 12-31-08
Sheriff	Gene L. Isaacs	01-01-07 to 12-31-10
Recorder	Kathy Adair Patricia Williams	01-01-04 to 12-31-07 01-01-08 to 12-31-10
President of the Board of County Commissioners	Steven M. Kain Richard L. Rusk	01-01-07 to 01-22-08 01-23-08 to 12-31-08
President of the County Council	Chod Gibson Ralph Anderson	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cass County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include a number of component units of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 27, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 27, 2008



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cass County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated August 27, 2008.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 27, 2008

CASS COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Government	Unit Hospitality and Tourism Commission
Primary government:						
Governmental activities:						
General government	\$ 13,609,470	\$ 865,334	\$ -	\$ -	\$ (12,744,136)	\$ -
Public safety	5,017,076	2,277,497	-	-	(2,739,579)	-
Highways and streets	4,707,017	-	2,394,604	375,142	(1,937,271)	-
Sanitation	-	25,500	-	-	25,500	-
Health and welfare	5,300,614	231,756	3,248,819	-	(1,820,039)	-
Economic development	1,277,152	-	-	-	(1,277,152)	-
Culture and recreation	461,748	10,648	-	-	(451,100)	-
Total primary government	<u>\$ 30,373,077</u>	<u>\$ 3,410,735</u>	<u>\$ 5,643,423</u>	<u>\$ 375,142</u>	<u>(20,943,777)</u>	<u>-</u>
Component units:						
Hospitality and tourism commission	<u>\$ 60,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(60,056)</u>
General receipts:						
Property taxes					10,604,611	-
Intergovernmental					1,263,392	-
Other local sources					8,420,501	78,706
Investment earnings					990,544	-
Total general receipts					<u>21,279,048</u>	<u>78,706</u>
Change in net assets					335,271	18,650
Net assets - beginning					<u>16,902,901</u>	<u>82,074</u>
Net assets - ending					<u>\$ 17,238,172</u>	<u>\$ 100,724</u>
<u>Assets</u>						
Cash and investments					\$ 1,376,212	\$ 100,724
Restricted assets:						
Cash and investments					<u>15,861,960</u>	<u>-</u>
Total assets					<u>\$ 17,238,172</u>	<u>\$ 100,724</u>
<u>Net assets</u>						
Restricted for:						
Public safety					\$ 1,601,056	\$ -
Highways and streets					2,238,027	-
Health and welfare					3,576,698	-
Economic development					2,027,805	-
Culture and recreation					404,740	-
Debt service					579,597	-
Capital outlay					2,344,082	-
Other purposes					3,089,955	-
Unrestricted					<u>1,376,212</u>	<u>100,724</u>
Total net assets					<u>\$ 17,238,172</u>	<u>\$ 100,724</u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Economic Development Operating	Highway	Family and Children	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 7,681,927	\$ 866,043	\$ 283,726	\$ 2,716,281	\$ 2,693,078	\$ 14,241,055
Special assessments	-	-	-	-	138,890	138,890
Licenses and permits	-	-	-	-	89,438	89,438
Intergovernmental	693,909	-	2,394,604	1,352,655	2,630,407	7,071,575
Charges for services	631,444	-	565,686	-	1,034,212	2,231,342
Fines and forfeits	164,434	-	-	-	864,387	1,028,821
Other	990,111	-	189,261	219,756	1,260,103	2,659,231
Total receipts	10,161,825	866,043	3,433,277	4,288,692	8,710,515	27,460,352
Disbursements:						
General government	6,497,031	-	-	-	1,927,822	8,424,853
Public safety	3,486,651	-	-	-	2,104,313	5,590,964
Highways and streets	-	-	2,732,792	-	803,955	3,536,747
Health and welfare	446,059	-	-	4,121,385	662,761	5,230,205
Economic development	-	1,277,152	-	-	-	1,277,152
Culture and recreation	36,280	-	-	-	425,468	461,748
Debt service:						
Principal	-	-	-	-	853,320	853,320
Interest	-	-	-	-	358,680	358,680
Capital outlay:						
General government	165,045	-	-	-	250,803	415,848
Public safety	48,193	-	-	-	2,893	51,086
Highways and streets	-	-	108,366	-	1,061,904	1,170,270
Health and welfare	5,434	-	-	-	-	5,434
Total disbursements	10,684,693	1,277,152	2,841,158	4,121,385	8,451,919	27,376,307
Excess (deficiency) of receipts over disbursements	(522,868)	(411,109)	592,119	167,307	258,596	84,045
Cash and investment fund balance - beginning	1,899,080	2,438,914	1,097,066	2,754,646	8,059,261	16,248,967
Cash and investment fund balance - ending	<u>\$ 1,376,212</u>	<u>\$ 2,027,805</u>	<u>\$ 1,689,185</u>	<u>\$ 2,921,953</u>	<u>\$ 8,317,857</u>	16,333,012
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						905,160
Net assets of governmental activities						<u>\$ 17,238,172</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,376,212	\$ -	\$ -	\$ -	\$ -	\$ 1,376,212
Restricted assets:						
Cash and investments	-	2,027,805	1,689,185	2,921,953	8,317,857	14,956,800
Total cash and investment assets - ending	<u>\$ 1,376,212</u>	<u>\$ 2,027,805</u>	<u>\$ 1,689,185</u>	<u>\$ 2,921,953</u>	<u>\$ 8,317,857</u>	<u>\$ 16,333,012</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,601,056	\$ 1,601,056
Highways and streets	-	-	1,689,185	-	548,842	2,238,027
Health and welfare	-	-	-	2,921,953	654,745	3,576,698
Economic development	-	2,027,805	-	-	-	2,027,805
Culture and recreation	-	-	-	-	404,740	404,740
Debt service	-	-	-	-	579,597	579,597
Capital outlay	-	-	-	-	2,344,082	2,344,082
Other purposes	-	-	-	-	2,184,795	2,184,795
Unrestricted	1,376,212	-	-	-	-	1,376,212
Total cash and investment fund balance - ending	<u>\$ 1,376,212</u>	<u>\$ 2,027,805</u>	<u>\$ 1,689,185</u>	<u>\$ 2,921,953</u>	<u>\$ 8,317,857</u>	<u>\$ 16,333,012</u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2007

	Internal Service Fund
Operating receipts:	
Miscellaneous	<u>\$ 3,247,996</u>
Operating disbursements:	
Miscellaneous disbursements	<u>2,996,770</u>
Excess of operating receipts over operating disbursements	251,226
Cash and investment fund balance - beginning	<u>653,934</u>
Cash and investment fund balance - ending	<u><u>\$ 905,160</u></u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 905,160</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u><u>\$ 905,160</u></u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 395,000	\$ -	\$ -
Investment earnings:			
Interest	224,446	-	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>116,038,867</u>
Total additions	<u>619,446</u>	<u>-</u>	<u>116,038,867</u>
Deductions:			
Benefits	78,171	-	-
Administrative and general	9,977	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>113,349,566</u>
Total deductions	<u>88,148</u>	<u>-</u>	<u>113,349,566</u>
Excess of total additions over total deductions	531,298	-	2,689,301
Cash and investment fund balance - beginning	<u>3,209,964</u>	<u>32,920</u>	<u>2,372,581</u>
Cash and investment fund balance - ending	<u><u>\$ 3,741,262</u></u>	<u><u>\$ 32,920</u></u>	<u><u>\$ 5,061,882</u></u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the following:

Primary Government: Cass County

Discretely Presented Component Unit: Cass County Hospitality and Tourism Commission

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The Logansport Memorial Hospital and Cass County Solid Waste District, which would be presented as blended component units, have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The component unit that is discretely presented in the County's report is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>
Cass County Hospitality and Tourism Commission	The Cass County Hospitality and Tourism Commission is a significant discretely presented component unit of the County. The primary government appoints a voting majority of the Commission's board and is able to impose its will.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Cass County Hospital Authority, Royal Center-Boone Township Public Library, Walton-Tipton Township Public Library, Logansport Library, and Wabash River Heritage.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The county highway fund accounts for the state motor vehicle highway distributions. Funds may be used for the direct and indirect costs of repairing and maintaining the County's roads.

The county economic development income tax fund accounts for the County's share of the county economic development income tax. Funds may be used to promote economic development in the County.

The family and children fund accounts for the costs of providing various assistance programs administered by the Indiana Family and Social Services Administration and the Indiana Department of Child Services. Financing is provided by property taxes and state and federal reimbursements.

Additionally, the County reports the following fund types:

The internal service fund accounts for employee health benefits provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the sheriff's pension trust and the sheriff's benefit trust, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the County as an agent for county jail inmates, wards, group benefit providers, and various taxing authorities.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the internal service fund and other governmental funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County Funds on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and principal and interest payments are reported as disbursements.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2007, the County had deposit balances in the amount of \$22,332,974. Of this amount, the following was exposed to custodial credit risk:

	<u>2007</u>
Uninsured deposits collateralized with securities held by the pledging financial institution's trust department or agent, but not in the depositor-government's name	<u>\$ 16,944,000</u>

The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2007, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 509,931
U.S. government sponsored enterprise	244,109
Corporate bonds	418,393
Corporate equity securities	2,567,244
Mutual funds	<u>358,724</u>
Total	<u>\$ 4,098,401</u>

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ 149,717	\$ 360,214
U.S. government sponsored enterprise	19,936	64,050	160,123
Corporate bonds	4,010	-	414,383
Totals	<u>\$ 23,946</u>	<u>\$ 213,767</u>	<u>\$ 934,720</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Corporate Bonds
AAA	Aaa	\$ 25,319
AA	Aa	74,186
A	A	207,977
BBB	Baa	86,021
Unrated	Unrated	<u>24,890</u>
Total		<u>\$ 418,393</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

The County did not hold any investments subject to concentration of credit risk. The sheriff's pension retirement and benefit funds did not hold investments from a single issuer in excess of one percent of the total portfolio; therefore, concentration of credit risk is considered insignificant.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon the number of employees paid from each affected fund and are reported as quasi-external interfund transactions.

Job Related Illnesses or Injuries to Employees

During 1991, the County joined with other governmental entities in the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for over 740 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses and injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The County has entered into a capital lease with Cass County Indiana Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$1,212,000.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for Indigent Program, Medical Assistance to Wards and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

D. Ethanol Plant Grant Obligation

Ordinance 05-01, passed September 9, 2005, obligates the County to pay \$2,000,000 to the Andersons Corporation for the building of an ethanol plant that will create additional employment and tax revenue opportunities in the County. Payments are to be made from the County Economic Income Tax Development Fund from 2007 through 2012 based on the Andersons Corporation meeting certain conditions. The County paid \$1,000,000 in 2007.

E. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 302,852	\$ 303,318	\$ 6,699
Interest on net pension obligation	(23,602)	9,630	-
Adjustment to annual required contribution	<u>26,896</u>	<u>(22,081)</u>	<u>-</u>
Annual pension cost	306,146	290,867	6,699
Contributions made	<u>279,114</u>	<u>388,301</u>	<u>6,699</u>
Increase (decrease) in net pension obligation	27,032	(97,434)	-
Net pension obligation, beginning of year	<u>(325,538)</u>	<u>137,565</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (298,506)</u>	<u>\$ 40,131</u>	<u>\$ -</u>

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	40%	1%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-08	01-01-08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 242,401	99%	\$ (327,769)
	06-30-06	267,071	99%	(325,538)
	06-30-07	306,146	91%	(298,506)
County Police Retirement Plan	12-31-05	315,435	93%	100,410
	12-31-06	333,927	89%	137,565
	12-31-07	290,867	133%	40,131
County Police Benefit Plan	12-31-05	6,156	100%	-
	12-31-06	3,228	100%	-
	12-31-07	6,699	100%	-

CASS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 4,145,841	\$ 4,540,634	\$ (394,793)	91%	\$ 4,657,239	(8%)
07-01-06	4,593,222	4,589,525	3,697	100%	5,092,715	0%
07-01-07	5,164,175	5,140,629	23,546	100%	5,053,381	0%

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 1,948,820	\$ 3,197,927	\$ (1,249,107)	61%	\$ 552,561	(226%)
01-01-04	2,098,446	3,312,225	(1,213,779)	63%	611,158	(199%)
01-01-05	2,258,591	3,482,764	(1,224,173)	65%	635,121	(193%)
01-01-06	2,677,080	3,982,393	(1,305,313)	67%	668,525	(195%)
01-01-07	3,143,140	4,470,591	(1,327,451)	70%	717,538	(185%)
01-01-08	3,719,470	4,991,369	(1,271,899)	75%	751,137	(169%)

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	Local Road and Street	Accident Report	Firearms Training	Park Nonreverting Operating	Health	State Homeland Security Grant	Law Enforcement Continuing Education
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 324,506	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	10,884	-	78,554	-	-
Intergovernmental	375,142	-	-	-	33,433	69,946	-
Charges for services	-	2,718	-	-	-	-	-
Fines and forfeits	-	-	-	1,333	-	-	-
Other	159,431	-	-	25,882	343	-	-
Total receipts	534,573	2,718	10,884	27,215	436,836	69,946	-
Disbursements:							
General government	-	-	-	-	-	69,946	-
Public safety	-	-	6,699	-	-	-	150
Highways and streets	803,955	-	-	-	-	-	-
Health and welfare	-	-	-	-	398,669	-	-
Culture and recreation	-	-	-	13,057	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	803,955	-	6,699	13,057	398,669	69,946	150
Excess (deficiency) of receipts over disbursements	(269,382)	2,718	4,185	14,158	38,167	-	(150)
Cash and investment fund balance - beginning	813,224	6,406	11,203	56,235	232,685	-	1,159
Cash and investment fund balance - ending	<u>\$ 543,842</u>	<u>\$ 9,124</u>	<u>\$ 15,388</u>	<u>\$ 70,393</u>	<u>\$ 270,852</u>	<u>\$ -</u>	<u>\$ 1,009</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 543,842</u>	<u>\$ 9,124</u>	<u>\$ 15,388</u>	<u>\$ 70,393</u>	<u>\$ 270,852</u>	<u>\$ -</u>	<u>\$ 1,009</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ 9,124	\$ 15,388	\$ -	\$ -	\$ -	\$ 1,009
Highways and streets	543,842	-	-	-	-	-	-
Health and welfare	-	-	-	-	270,852	-	-
Culture and recreation	-	-	-	70,393	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 543,842</u>	<u>\$ 9,124</u>	<u>\$ 15,388</u>	<u>\$ 70,393</u>	<u>\$ 270,852</u>	<u>\$ -</u>	<u>\$ 1,009</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Motor Vehicle Inspection	Clerk's Records Perpetuation	Election and Registration	Law Enforcement Grant	Emergency Telephone System	Drug Free Community	Drainage Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ 310,284	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	138,890
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	31,967	-	70	-	-
Charges for services	-	-	-	-	620,345	-	-
Fines and forfeits	925	8,628	-	-	-	30,714	-
Other	-	-	41,797	-	125,507	-	-
Total receipts	925	8,628	384,048	-	745,922	30,714	138,890
Disbursements:							
General government	-	13,325	85,221	-	-	-	175,879
Public safety	-	-	-	-	602,540	23,603	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	13,325	85,221	-	602,540	23,603	175,879
Excess (deficiency) of receipts over disbursements	925	(4,697)	298,827	-	143,382	7,111	(36,989)
Cash and investment fund balance - beginning	2,614	13,886	163,892	2,826	101,499	27,586	574,078
Cash and investment fund balance - ending	<u>\$ 3,539</u>	<u>\$ 9,189</u>	<u>\$ 462,719</u>	<u>\$ 2,826</u>	<u>\$ 244,881</u>	<u>\$ 34,697</u>	<u>\$ 537,089</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 3,539</u>	<u>\$ 9,189</u>	<u>\$ 462,719</u>	<u>\$ 2,826</u>	<u>\$ 244,881</u>	<u>\$ 34,697</u>	<u>\$ 537,089</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 3,539	\$ -	\$ -	\$ 2,826	\$ 244,881	\$ 34,697	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	9,189	462,719	-	-	-	537,089
Total cash and investment fund balance - ending	<u>\$ 3,539</u>	<u>\$ 9,189</u>	<u>\$ 462,719</u>	<u>\$ 2,826</u>	<u>\$ 244,881</u>	<u>\$ 34,697</u>	<u>\$ 537,089</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Emergency Planning /Right to Know	Children's Psychiatric Residential Treatment Services	Parks and Recreation	Prosecutor Title IV-D #1	Extradition	Supplemental Juvenile Probation Service	Supplemental Adult Probation Service
Receipts:							
Taxes	\$ -	\$ -	\$ 237,885	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	24,508	-	-	-	80
Charges for services	-	-	200,181	-	-	-	-
Fines and forfeits	-	-	-	-	17,800	17,938	140,473
Other	-	38,353	6,938	-	-	3,350	28,230
Total receipts	-	38,353	469,512	-	17,800	21,288	168,783
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	3,660	-	-	-	8,593	20,159	137,967
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	119,018	-	15,650	-	-	-
Culture and recreation	-	-	412,314	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	2,893
Highways and streets	-	-	-	-	-	-	-
Total disbursements	3,660	119,018	412,314	15,650	8,593	20,159	140,860
Excess (deficiency) of receipts over disbursements	(3,660)	(80,665)	57,198	(15,650)	9,207	1,129	27,923
Cash and investment fund balance - beginning	7,030	316,341	241,490	25,220	60,178	52,001	111,379
Cash and investment fund balance - ending	<u>\$ 3,370</u>	<u>\$ 235,676</u>	<u>\$ 298,688</u>	<u>\$ 9,570</u>	<u>\$ 69,385</u>	<u>\$ 53,130</u>	<u>\$ 139,302</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 3,370</u>	<u>\$ 235,676</u>	<u>\$ 298,688</u>	<u>\$ 9,570</u>	<u>\$ 69,385</u>	<u>\$ 53,130</u>	<u>\$ 139,302</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 3,370	\$ -	\$ -	\$ 9,570	\$ 69,385	\$ 53,130	\$ 139,302
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	235,676	-	-	-	-	-
Culture and recreation	-	-	298,688	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 3,370</u>	<u>\$ 235,676</u>	<u>\$ 298,688</u>	<u>\$ 9,570</u>	<u>\$ 69,385</u>	<u>\$ 53,130</u>	<u>\$ 139,302</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Recorder's Records Perpetuation	User Fee	Health Maintenance	Community Corrections Home Detention	Guardian Ad Litem /Court	Supplemental Public Defender Service	Clerk Title IV-D #1
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	41,424	-	-	-	-
Charges for services	41,460	-	-	-	-	-	-
Fines and forfeits	-	195,308	-	299,917	19,861	27,367	-
Other	-	34,340	-	-	2,687	-	-
Total receipts	41,460	229,648	41,424	299,917	22,548	27,367	-
Disbursements:							
General government	49,103	198,382	-	-	24,633	-	-
Public safety	-	-	-	226,573	-	23,232	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	34,325	-	-	-	42,356
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	7,459	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	49,103	205,841	34,325	226,573	24,633	23,232	42,356
Excess (deficiency) of receipts over disbursements	(7,643)	23,807	7,099	73,344	(2,085)	4,135	(42,356)
Cash and investment fund balance - beginning	118,290	422,205	15,493	41,032	44,800	118,135	61,256
Cash and investment fund balance - ending	<u>\$ 110,647</u>	<u>\$ 446,012</u>	<u>\$ 22,592</u>	<u>\$ 114,376</u>	<u>\$ 42,715</u>	<u>\$ 122,270</u>	<u>\$ 18,900</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 110,647</u>	<u>\$ 446,012</u>	<u>\$ 22,592</u>	<u>\$ 114,376</u>	<u>\$ 42,715</u>	<u>\$ 122,270</u>	<u>\$ 18,900</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ 446,012	\$ -	\$ 114,376	\$ -	\$ 122,270	\$ 18,900
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	22,592	-	42,715	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	110,647	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 110,647</u>	<u>\$ 446,012</u>	<u>\$ 22,592</u>	<u>\$ 114,376</u>	<u>\$ 42,715</u>	<u>\$ 122,270</u>	<u>\$ 18,900</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Sheriff's Photo	Surveyor's Corner Perpetuation	Auditor's Plat Book Perpetuation	Park Donation	Donations	Cass County Memorial Home Donation	Emergency Management Nonreverting Operating
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	295	7,700	8,221	-	-	-	-
Fines and forfeits	-	66	-	-	-	-	-
Other	-	-	-	580	-	-	-
Total receipts	295	7,766	8,221	580	-	-	-
Disbursements:							
General government	-	-	12,393	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	97	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	-	12,393	97	-	-	-
Excess (deficiency) of receipts over disbursements	295	7,766	(4,172)	483	-	-	-
Cash and investment fund balance - beginning	1,590	75,197	4,494	519	87	5,838	1,789
Cash and investment fund balance - ending	<u>\$ 1,885</u>	<u>\$ 82,963</u>	<u>\$ 322</u>	<u>\$ 1,002</u>	<u>\$ 87</u>	<u>\$ 5,838</u>	<u>\$ 1,789</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 1,885</u>	<u>\$ 82,963</u>	<u>\$ 322</u>	<u>\$ 1,002</u>	<u>\$ 87</u>	<u>\$ 5,838</u>	<u>\$ 1,789</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 1,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,789
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	1,002	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	82,963	322	-	87	5,838	-
Total cash and investment fund balance - ending	<u>\$ 1,885</u>	<u>\$ 82,963</u>	<u>\$ 322</u>	<u>\$ 1,002</u>	<u>\$ 87</u>	<u>\$ 5,838</u>	<u>\$ 1,789</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Stop Grant	Transit Grant	Victim Advocacy Grant	CPF Grant	France Park Enhancement Grant	Brownfield Grant	Court Interpreter Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	22,672	532,301	30,298	-	33,716	19,695	7,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	125	-	52	-	-	-	-
Total receipts	22,797	532,301	30,350	-	33,716	19,695	7,000
Disbursements:							
General government	-	532,301	-	-	-	-	6,983
Public safety	19,480	-	24,034	-	-	19,695	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	19,480	532,301	24,034	-	-	19,695	6,983
Excess (deficiency) of receipts over disbursements	3,317	-	6,316	-	33,716	-	17
Cash and investment fund balance - beginning	-	-	5,570	5,000	523	-	4
Cash and investment fund balance - ending	<u>\$ 3,317</u>	<u>\$ -</u>	<u>\$ 11,886</u>	<u>\$ 5,000</u>	<u>\$ 34,239</u>	<u>\$ -</u>	<u>\$ 21</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 3,317</u>	<u>\$ -</u>	<u>\$ 11,886</u>	<u>\$ 5,000</u>	<u>\$ 34,239</u>	<u>\$ -</u>	<u>\$ 21</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 3,317	\$ -	\$ 11,886	\$ -	\$ -	\$ -	\$ 21
Highways and streets	-	-	-	5,000	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	34,239	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 3,317</u>	<u>\$ -</u>	<u>\$ 11,886</u>	<u>\$ 5,000</u>	<u>\$ 34,239</u>	<u>\$ -</u>	<u>\$ 21</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Hoosier Safety Foundation	Emergency Gas Award	Section II Help America Vote Act	Arson	Cass County Emergency Management Agency Grant	Nonreverting High Street Rentals	Local Law Enforcement Block Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	107,591	-
Total receipts	-	-	-	-	-	107,591	-
Disbursements:							
General government	-	-	-	-	-	94,021	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	94,021	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	13,570	-
Cash and investment fund balance - beginning	550	1,303	109,635	226	4,798	48,864	17,328
Cash and investment fund balance - ending	<u>\$ 550</u>	<u>\$ 1,303</u>	<u>\$ 109,635</u>	<u>\$ 226</u>	<u>\$ 4,798</u>	<u>\$ 62,434</u>	<u>\$ 17,328</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 550</u>	<u>\$ 1,303</u>	<u>\$ 109,635</u>	<u>\$ 226</u>	<u>\$ 4,798</u>	<u>\$ 62,434</u>	<u>\$ 17,328</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 550	\$ 1,303	\$ -	\$ 226	\$ 4,798	\$ -	\$ 17,328
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	109,635	-	-	62,434	-
Total cash and investment fund balance - ending	<u>\$ 550</u>	<u>\$ 1,303</u>	<u>\$ 109,635</u>	<u>\$ 226</u>	<u>\$ 4,798</u>	<u>\$ 62,434</u>	<u>\$ 17,328</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Rainy Day	Sales Disclosure	Police Pension	Work Crew	Community Corrections Project Income	Alternative School	Law Enforcement Terrorism Prevention Program
Receipts:							
Taxes	\$ -	\$ 68	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	337,584	-	-	-	-	-	39,950
Charges for services	-	2,188	-	7,175	-	25,188	-
Fines and forfeits	-	2	38,314	-	62,201	-	-
Other	34,246	-	3,363	-	12,176	-	-
Total receipts	371,830	2,258	41,677	7,175	74,377	25,188	39,950
Disbursements:							
General government	36,874	-	-	-	-	-	-
Public safety	-	-	44,940	6,002	121,141	36,060	39,948
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	36,874	-	44,940	6,002	121,141	36,060	39,948
Excess (deficiency) of receipts over disbursements	334,956	2,258	(3,263)	1,173	(46,764)	(10,872)	2
Cash and investment fund balance - beginning	144,269	5,100	32,761	3	65,817	45,868	-
Cash and investment fund balance - ending	<u>\$ 479,225</u>	<u>\$ 7,358</u>	<u>\$ 29,498</u>	<u>\$ 1,176</u>	<u>\$ 19,053</u>	<u>\$ 34,996</u>	<u>\$ 2</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 479,225</u>	<u>\$ 7,358</u>	<u>\$ 29,498</u>	<u>\$ 1,176</u>	<u>\$ 19,053</u>	<u>\$ 34,996</u>	<u>\$ 2</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 29,498	\$ 1,176	\$ 19,053	\$ 34,996	\$ 2
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	479,225	7,358	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 479,225</u>	<u>\$ 7,358</u>	<u>\$ 29,498</u>	<u>\$ 1,176</u>	<u>\$ 19,053</u>	<u>\$ 34,996</u>	<u>\$ 2</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Byrne Grant	Bulletproof Vest Grant	Cumulative Reassessment	Dissolution Education Workshop	State Deputy Project	Sheriff's Commissary	County Corrections
Receipts:							
Taxes	\$ -	\$ -	\$ 139,628	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	161,923	-	14,385	-	7,218	-	27,818
Charges for services	-	-	-	-	-	101,642	-
Fines and forfeits	-	-	-	3,540	-	-	-
Other	23,225	-	11,956	-	-	-	-
Total receipts	185,148	-	165,969	3,540	7,218	101,642	27,818
Disbursements:							
General government	-	-	226,678	4,197	-	-	-
Public safety	193,603	-	-	-	7,255	120,236	42,300
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	193,603	-	226,678	4,197	7,255	120,236	42,300
Excess (deficiency) of receipts over disbursements	(8,455)	-	(60,709)	(657)	(37)	(18,594)	(14,482)
Cash and investment fund balance - beginning	8,455	1,262	322,549	9,409	-	24,757	25,442
Cash and investment fund balance - ending	\$ -	\$ 1,262	\$ 261,840	\$ 8,752	\$ (37)	\$ 6,163	\$ 10,960
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	\$ -	\$ 1,262	\$ 261,840	\$ 8,752	\$ (37)	\$ 6,163	\$ 10,960
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ 1,262	\$ -	\$ -	\$ (37)	\$ 6,163	\$ 10,960
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	261,840	8,752	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 1,262	\$ 261,840	\$ 8,752	\$ (37)	\$ 6,163	\$ 10,960

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Park Grant	Community Corrections	Tobacco Settlement	Health Grant	Law Enforcement Terror Prevention Program	Help America Vote Act Title III	Adult Protective Services
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	165,815	23,919	40,133	-	2,280	122,549
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	168	-	-	-
Total receipts	-	165,815	23,919	40,301	-	2,280	122,549
Disbursements:							
General government	-	-	-	-	-	9,402	-
Public safety	-	207,116	-	-	-	-	122,950
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	15,894	36,849	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	15,619	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	207,116	15,894	36,849	-	25,021	122,950
Excess (deficiency) of receipts over disbursements	-	(41,301)	8,025	3,452	-	(22,741)	(401)
Cash and investment fund balance - beginning	418	63,627	81,971	(10,538)	578	69,438	32,791
Cash and investment fund balance - ending	<u>\$ 418</u>	<u>\$ 22,326</u>	<u>\$ 89,996</u>	<u>\$ (7,086)</u>	<u>\$ 578</u>	<u>\$ 46,697</u>	<u>\$ 32,390</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 418</u>	<u>\$ 22,326</u>	<u>\$ 89,996</u>	<u>\$ (7,086)</u>	<u>\$ 578</u>	<u>\$ 46,697</u>	<u>\$ 32,390</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ 22,326	\$ -	\$ -	\$ 578	\$ -	\$ 32,390
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	89,996	(7,086)	-	-	-
Culture and recreation	418	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	46,697	-
Total cash and investment fund balance - ending	<u>\$ 418</u>	<u>\$ 22,326</u>	<u>\$ 89,996</u>	<u>\$ (7,086)</u>	<u>\$ 578</u>	<u>\$ 46,697</u>	<u>\$ 32,390</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Juvenile Services Treatment	Wal-Mart K-9 Grant	Identification Security Protection	Homeland Security	Bail Bond Administration	Community Transition Program	Host Agreement Capital
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	20,592	-
Charges for services	-	-	13,120	-	3,979	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	306,202
Total receipts	-	-	13,120	-	3,979	20,592	306,202
Disbursements:							
General government	-	-	-	-	-	-	9,000
Public safety	-	-	5,942	11,250	-	29,185	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	-	5,942	11,250	-	29,185	9,000
Excess (deficiency) of receipts over disbursements	-	-	7,178	(11,250)	3,979	(8,593)	297,202
Cash and investment fund balance - beginning	77,274	50	14,142	11,250	4,232	13,545	486,242
Cash and investment fund balance - ending	<u>\$ 77,274</u>	<u>\$ 50</u>	<u>\$ 21,320</u>	<u>\$ -</u>	<u>\$ 8,211</u>	<u>\$ 4,952</u>	<u>\$ 783,444</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 77,274</u>	<u>\$ 50</u>	<u>\$ 21,320</u>	<u>\$ -</u>	<u>\$ 8,211</u>	<u>\$ 4,952</u>	<u>\$ 783,444</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ 77,274	\$ 50	\$ 21,320	\$ -	\$ 8,211	\$ 4,952	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	783,444
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 77,274</u>	<u>\$ 50</u>	<u>\$ 21,320</u>	<u>\$ -</u>	<u>\$ 8,211</u>	<u>\$ 4,952</u>	<u>\$ 783,444</u>

CASS COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Lease Rental Payment	Cumulative Capital Development	Cumulative Bridge	State Grant Capital Project	General Drain Improvement	Emergency Management Nonreverting Capital	Totals
Receipts:							
Taxes	\$ 1,088,581	\$ 272,792	\$ 319,334	\$ -	\$ -	\$ -	\$ 2,693,078
Special assessments	-	-	-	-	-	-	138,890
Licenses and permits	-	-	-	-	-	-	89,438
Intergovernmental	112,151	28,106	32,899	270,833	-	-	2,630,407
Charges for services	-	-	-	-	-	-	1,034,212
Fines and forfeits	-	-	-	-	-	-	864,387
Other	-	3,020	230,981	-	59,560	-	1,260,103
Total receipts	<u>1,200,732</u>	<u>303,918</u>	<u>583,214</u>	<u>270,833</u>	<u>59,560</u>	<u>-</u>	<u>8,710,515</u>
Disbursements:							
General government	-	229,683	-	-	149,801	-	1,927,822
Public safety	-	-	-	-	-	-	2,104,313
Highways and streets	-	-	-	-	-	-	803,955
Health and welfare	-	-	-	-	-	-	662,761
Culture and recreation	-	-	-	-	-	-	425,468
Debt service:							
Principal	853,320	-	-	-	-	-	853,320
Interest	358,680	-	-	-	-	-	358,680
Capital outlay:							
General government	-	227,725	-	-	-	-	250,803
Public safety	-	-	-	-	-	-	2,893
Highways and streets	-	-	1,061,904	-	-	-	1,061,904
Total disbursements	<u>1,212,000</u>	<u>457,408</u>	<u>1,061,904</u>	<u>-</u>	<u>149,801</u>	<u>-</u>	<u>8,451,919</u>
Excess (deficiency) of receipts over disbursements	(11,268)	(153,490)	(478,690)	270,833	(90,241)	-	258,596
Cash and investment fund balance - beginning	<u>590,865</u>	<u>286,923</u>	<u>1,532,064</u>	<u>-</u>	<u>191,333</u>	<u>1,906</u>	<u>8,059,261</u>
Cash and investment fund balance - ending	<u>\$ 579,597</u>	<u>\$ 133,433</u>	<u>\$ 1,053,374</u>	<u>\$ 270,833</u>	<u>\$ 101,092</u>	<u>\$ 1,906</u>	<u>\$ 8,317,857</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	<u>\$ 579,597</u>	<u>\$ 133,433</u>	<u>\$ 1,053,374</u>	<u>\$ 270,833</u>	<u>\$ 101,092</u>	<u>\$ 1,906</u>	<u>\$ 8,317,857</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601,056
Highways and streets	-	-	-	-	-	-	548,842
Health and welfare	-	-	-	-	-	-	654,745
Culture and recreation	-	-	-	-	-	-	404,740
Debt service	579,597	-	-	-	-	-	579,597
Capital outlay	-	133,433	1,053,374	270,833	101,092	1,906	2,344,082
Other purposes	-	-	-	-	-	-	2,184,795
Total cash and investment fund balance - ending	<u>\$ 579,597</u>	<u>\$ 133,433</u>	<u>\$ 1,053,374</u>	<u>\$ 270,833</u>	<u>\$ 101,092</u>	<u>\$ 1,906</u>	<u>\$ 8,317,857</u>

CASS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND
 CHANGES IN CASH AND INVESTMENTS BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

	Sheriff Retirement	Sheriff Benefit	Totals
Additions:			
Contributions:			
Employer	\$ 388,301	\$ 6,699	\$ 395,000
Investment receipts:			
Interest and dividends	<u>206,562</u>	<u>17,884</u>	<u>224,446</u>
Total additions	<u>594,863</u>	<u>24,583</u>	<u>619,446</u>
Deductions:			
Benefits	78,171	-	78,171
Administrative and general	<u>4,382</u>	<u>5,595</u>	<u>9,977</u>
Total deductions	<u>82,553</u>	<u>5,595</u>	<u>88,148</u>
Excess of total additions over total deductions	512,310	18,988	531,298
Cash and investment fund balance - beginning	<u>2,986,010</u>	<u>223,954</u>	<u>3,209,964</u>
Cash and investment fund balance - ending	<u><u>\$ 3,498,320</u></u>	<u><u>\$ 242,942</u></u>	<u><u>\$ 3,741,262</u></u>

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007

	Town Court Costs	Congressional School Interest	Weed Cutting	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax
Additions:						
Agency fund additions	<u>\$ 12,614</u>	<u>\$ 1,469</u>	<u>\$ 28,062</u>	<u>\$ 696,218</u>	<u>\$ 153,922</u>	<u>\$ 44,963</u>
Deductions:						
Agency fund deductions	<u>-</u>	<u>83,547</u>	<u>28,062</u>	<u>616,939</u>	<u>153,922</u>	<u>33,430</u>
Excess (deficiency) of total additions over total deductions	12,614	(82,078)	-	79,279	-	11,533
Cash and investment fund balance - beginning	<u>78,694</u>	<u>82,078</u>	<u>12</u>	<u>478,454</u>	<u>-</u>	<u>25,937</u>
Cash and investment fund balance - ending	<u><u>\$ 91,308</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 557,733</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,470</u></u>

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007
(Continued)

	Fines and Forfeitures	Sales Disclosure Fee	Overweight Vehicle Fines	Surplus Dog Tax	Infraction Judgments	Inheritance Tax
Additions:						
Agency fund additions	\$ 96,744	\$ 2,255	\$ 10,012	\$ -	\$ 111,425	\$ 1,528,302
Deductions:						
Agency fund deductions	93,702	1,050	8,073	-	66,797	885,679
Excess (deficiency) of total additions over total deductions	3,042	1,205	1,939	-	44,628	642,623
Cash and investment fund balance - beginning	10,463	210	2,764	26	17,258	97,931
Cash and investment fund balance - ending	<u>\$ 13,505</u>	<u>\$ 1,415</u>	<u>\$ 4,703</u>	<u>\$ 26</u>	<u>\$ 61,886</u>	<u>\$ 740,554</u>

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007
(Continued)

	Replacement and Homestead Credit	Payroll	CEDIT Special Revenue	Special Death Benefit	Other	CAGIT
Additions:						
Agency fund additions	\$ 66,765	\$ 6,954,548	\$ 1,462,755	\$ 5,380	\$ 5,077	\$ 5,858,325
Deductions:						
Agency fund deductions	66,765	6,954,548	1,459,829	2,560	3,452	5,858,325
Excess (deficiency) of total additions over total deductions	-	-	2,926	2,820	1,625	-
Cash and investment fund balance - beginning	-	24	29,311	630	3	1
Cash and investment fund balance - ending	\$ -	\$ 24	\$ 32,237	\$ 3,450	\$ 1,628	\$ 1

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007
(Continued)

	CREDIT	Tax Tax Sale	Innkeepers Tax	Wheel Tax	Mortgage Fees State Share	Restraint Violation Fines
Additions:						
Agency fund additions	<u>\$ 2,030,593</u>	<u>\$ 31,550</u>	<u>\$ 83,205</u>	<u>\$ 357,930</u>	<u>\$ 4,627</u>	<u>\$ 575</u>
Deductions:						
Agency fund deductions	<u>2,029,790</u>	<u>19,825</u>	<u>78,177</u>	<u>357,570</u>	<u>2,260</u>	<u>225</u>
Excess (deficiency) of total additions over total deductions	803	11,725	5,028	360	2,367	350
Cash and investment fund balance - beginning	<u>8,469</u>	<u>1,150</u>	<u>569</u>	<u>-</u>	<u>813</u>	<u>100</u>
Cash and investment fund balance - ending	<u><u>\$ 9,272</u></u>	<u><u>\$ 12,875</u></u>	<u><u>\$ 5,597</u></u>	<u><u>\$ 360</u></u>	<u><u>\$ 3,180</u></u>	<u><u>\$ 450</u></u>

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007
(Continued)

	Interstate Compact	Payroll 2	Homestead Credit Rebate	Coroners Education	Tax Distribution	County Clerk
Additions:						
Agency fund additions	\$ 338	\$ 14,393	\$ 1,406,341	\$ 3,178	\$ 37,763,741	\$ 5,782,608
Deductions:						
Agency fund deductions	150	14,393	-	1,418	37,763,741	5,699,935
Excess (deficiency) of total additions over total deductions	188	-	1,406,341	1,760	-	82,673
Cash and investment fund balance - beginning	37	-	-	165	-	491,497
Cash and investment fund balance - ending	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 1,406,341</u>	<u>\$ 1,925</u>	<u>\$ -</u>	<u>\$ 574,170</u>

CASS COUNTY
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007
(Continued)

	County Sheriff	Inmate Trust	County Recorder	County Treasurer	Welfare Trust	Totals
Additions:						
Agency fund additions	<u>\$ 1,568,128</u>	<u>\$ 182,366</u>	<u>\$ 157,093</u>	<u>\$ 49,559,073</u>	<u>\$ 54,292</u>	<u>\$ 116,038,867</u>
Deductions:						
Agency fund deductions	<u>1,564,003</u>	<u>174,155</u>	<u>157,093</u>	<u>49,115,940</u>	<u>54,211</u>	<u>113,349,566</u>
Excess (deficiency) of total additions over total deductions	4,125	8,211	-	443,133	81	2,689,301
Cash and investment fund balance - beginning	<u>2,214</u>	<u>5,525</u>	<u>25</u>	<u>999,928</u>	<u>38,293</u>	<u>2,372,581</u>
Cash and investment fund balance - ending	<u><u>\$ 6,339</u></u>	<u><u>\$ 13,736</u></u>	<u><u>\$ 25</u></u>	<u><u>\$ 1,443,061</u></u>	<u><u>\$ 38,374</u></u>	<u><u>\$ 5,061,882</u></u>

CASS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Retroactive reporting of general infrastructure assets as of January 1, 2007 has not been completed.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,753,133
Infrastructure	1,355,730
Buildings	16,123,976
Improvements other than buildings	326,607
Machinery and equipment	<u>8,119,901</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 29,679,347</u></u>

CASS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Jail improvement	\$ 6,763,895	\$ 1,222,000
Highway equipment	147,193	74,999
Claims and judgments	1,000,000	200,000
Notes and loans payable	<u>1,159,093</u>	<u>141,600</u>
Total governmental activities debt	<u>\$ 9,070,181</u>	<u>\$ 1,638,599</u>

CASS COUNTY
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

County Auditor
County Treasurer
Clerk of the Circuit Court
County Home

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

Compliance

We have audited the compliance of the Cass County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2007-1, to be a material weakness.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 27, 2008

CASS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	06VA017 07VA014	\$ 11,870 11,870
Total for program			23,740
Violence Against Women Formula Grants	16.588	06ST008 06ST065	8,576 8,576
Total for program			17,152
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05DJ073 06DJ054	69,776 86,744
Total for program			156,520
Total for federal grantor agency			197,412
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	Des #0710416	50,061
Formula Grants for Other Than Urbanized Areas	20.509	1802521O	450,684
Pass-Through Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	OP-07-01-01-15 OP-08-01-01-19	5,428 1,518
Total for program			6,946
Total for federal grantor agency			507,691
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 108-2	36,760
Pass-Through Indiana Department of Child Services Child Support Enforcement Clerk Expenditures Prosecutor Expenditures Indirect Costs Incentive Expenditures	93.563		19,242 152,861 41,241 58,005
Total for program			271,349
Pass-Through Indiana Secretary of State Voting Access for Individuals with Disabilities - Grants to States	93.617		9,401
Total for federal grantor agency			317,510
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Snow Emergency	97.036	3274	27,806
Homeland Security Grant Program	97.067		69,946
State Homeland Security Program (SHSP)	97.073	EDS #C44P-7-082	11,250
Law Enforcement Terrorism Prevention Program (LETPP)	97.074		39,947
Total for federal grantor agency			148,949
Total federal awards expended			\$ 1,171,562

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CASS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Cass County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2007:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2007</u>
Formula Grants for Other Than Urbanized Areas	20.509	<u>\$ 450,684</u>

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes
--	-----

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Other Than Urbanized Areas
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Transportation
Federal Program: Formula Grants for Other Than Urbanized Areas
CFDA Number: 20.509
Federal Award Number: 1802521O
Pass-Through Agency: Indiana Department of Transportation

The County does not properly monitor its subrecipient, Cass County Council on Aging, Inc., for this grant. County Officials do not maintain checklists or calendars with reminders to ensure that the County is aware of subrecipient reporting and audit deadlines. The County did not receive the subrecipient's audit report for calendar year 2006, dated September 25, 2007, until it was requested in June 2008. The transportation grant was a major program for Cass County Council on Aging, Inc., in 2006. The auditors' opinion in their "Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133" to the Board of Directors of Cass County Council on Aging, Inc., was qualified due to findings of noncompliance and material weaknesses in internal control over compliance for this major program. County officials were unaware of these findings and there was no evidence of any communication between the County and its subrecipient addressing these findings.

Failure to adequately monitor the subrecipient could allow noncompliance with program requirements by the subrecipient to occur and not be discovered in a timely manner. Noncompliance with program requirements could jeopardize future funding or cause the grantor agencies to request a refund of grant monies already received.

31 USC 7502(f)(2) states in part: "Each pass-through entity shall . . . monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means" and "review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity . . ."

We recommended that County Officials implement procedures to adequately monitor the subrecipient. These procedures should ensure that required reports are filed in a timely manner; that audits of the subrecipient, when required, are performed in a timely manner with copies of the audit reports provided to the county; that any findings contained in the audit reports are promptly addressed; that program funds are properly disbursed; and that the subrecipient is achieving the program goals.

CASS COUNTY AUDITOR

DAWN R. CONNER

200 Court Park #105 Logansport, IN 46947 574-753-7722 Fax 574-753-3512 dawn.conner@co.cass.in.us

July 15, 2008

Re: Summary Schedule of Prior Audit Findings

Finding No 2006-1

Original SBA Audit Report Number: B31115

Auditee Contact Person: Dawn R. Conner

Title of Contact Person: Cass County Auditor

Phone Number: 574-753-7722

Status of Finding: The County will adopt procedures to properly monitor "the Council on Aging", and maintain a checklist or calendar to ensure the subrecipient reporting is timely. The County has received the compliance audit for calendar year 2006.

Dawn R. Conner
July 15, 2008

Corrective Action Plan

Finding No. 2007-01

Federal Agency: U.S. Department of Transportation

Federal Program: Formula Grants for Other than Urbanized Areas

CFDA No: 20.509

Federal Award Number: 18025210

Pass-Through Agency: Indiana Department of Transportation

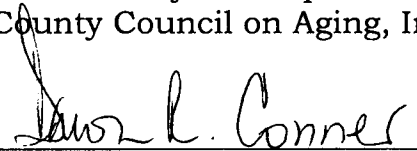
Title of Contact Person: Cass County Auditor

Phone Number: 574-753-7722

Expected Completion Date: December 31, 2008

Corrective Action Planned:

Cass County will implement procedures to adequately monitor Cass County Council on Aging, Inc.

 8-27-08

Dawn R. Conner, Cass County Auditor

 8-27-08

Richard Rusk, Cass County Commissioner

CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2008, with Dawn R. Conner, Auditor; Richard L. Rusk, President of the Board of County Commissioners; and Ralph Anderson, President of the County Council.